

“Westchester Town Center” Property Business Improvement District Management District Plan

Table of Contents

I.	Introduction to this Management District Plan	2
II.	Overview of the Westchester Town Center Property Business Improvement District	3
III.	Business Improvement District Boundaries	5
	- Map of District	6
IV.	Proposed Management District Service Plan	8
	- Proposed Multi Year Budget 2012 through 2021	11
V.	Proposed Management District Assessment Formula	13
VI.	Continuation of City Services	15
VII.	Publicly Owned Parcels	15
VIII.	Proposed District Implementation Timetable	16
IX.	District Governance	17

Appendix 1: District Property Information & 2012 Assessments

Appendix 2: Proposition 218 Engineer’s Report

I. INTRODUCTION TO THIS MANAGEMENT DISTRICT PLAN

The Property and Business Improvement District Law of 1994 (Streets & Highways Code Section 36600 *et seq*; hereinafter the “State Law”) authorizes the City of Los Angeles to establish property business improvement districts (“PBIDs”).

This document is the Management District Plan required by Section 36622 of the State Law with respect to the proposed Westchester Town Center Property Business Improvement District in the City of Los Angeles.

II. OVERVIEW OF THE WESTCHESTER TOWN CENTER PROPERTY BUSINESS IMPROVEMENT DISTRICT

A growing coalition of property and business owners and members of the community, have proposed the formation of this Westchester Town Center Property Business Improvement District (“District”) in order to provide improvements and services that revitalize and enhance the area, which is an essential commercial core of the City of Los Angeles. This formation will renew and expand the Westchester Town Center District that was originally created by Ordinance No. 178878 that became effective July 21, 2007.

Name: “Westchester Town Center Property Business Improvement District.”

Location: The proposed District is located in the Westchester community of the City of Los Angeles, and is centered along Sepulveda Boulevard between Los Angeles International Airport and just North of Manchester Boulevard. The West boundary runs along Sepulveda Westway, Westchester Parkway, and La Tijera Boulevard to Manchester Avenue. The East boundary runs along Sepulveda Eastway and La Tijera Boulevard to Manchester Avenue. Refer to the boundary description and map in the “Boundaries / Maps” section of this document for a more complete description of the District’s boundaries.

Services: The proposed District will fund improvements and activities authorized under the State Law. Specifically, the District will provide services in the following categories: (i) ambassador services; (ii) landscape maintenance, sanitation, & beautification; (iii) marketing and promotions; (iv) new business attraction; and, (v) policy development, district management, and administration.

See the “Service Plan / Budget” section of this document for a more specific description of the services, improvements and activities planned for the District.

Method of Financing: The services will be funded through an assessment against real property benefiting from the services. Generally, each parcel fronting on Sepulveda Boulevard will be assessed \$0.0605 per square foot of lot size, \$0.0895 per square foot of improvement size, and \$7.6400 per linear foot of street frontage; and, each parcel fronting on any other street will be assessed \$0.0303 per square foot of lot size, \$0.0447 per square foot of improvement size, and \$3.8200 per linear foot of street frontage.

Any District assessment may be adjusted annually to reflect inflation at a rate not to exceed three percent (3%). In conjunction with required annual proceedings, the Owner’s Association will notify the City of Los Angeles of any proposed inflationary adjustment.

Assessments for the Fiscal Year beginning January 1, 2012 will be collected at the same time and in the same manner as ad valorem taxes paid to the County of Los Angeles.

Please see the “Assessment Formula” section of this document for additional details.

Budget: The proposed District budget is included in the “Service Plan” section of this document.

Bonds: There are no plans for the District to issue bonds.

City Services: The City of Los Angeles will continue its practice of providing municipal services within the proposed District at their present levels, or at such modified levels as may be established in the future, irrespective of District formation. In any case, existing City services will not be replaced or duplicated by new District services.

Duration: As required by the State Law, the District will have a set term of ten (10) years. The District’s term will be January 1, 2012 through December 31, 2021. At the end of this period, the District may be renewed as permitted by law.

III. BUSINESS IMPROVEMENT DISTRICT BOUNDARIES

The Westchester Town Center property business improvement district is centered along Sepulveda Boulevard. The boundaries of the District are shown on the following maps. Additional information regarding these boundaries, and a list of each included parcel, is provided in the Engineer's Report for the District, which is incorporated herein by reference, and included as Appendix 2 of this document.

As a supplement to the referenced District maps, the boundaries of the proposed District are described below.

- **Northern Boundary.**
Beginning at the intersection of Manchester Avenue and Sepulveda Westway, East along Manchester Avenue to its intersection with La Tijera Boulevard, including, in addition to all parcels South of Manchester, the commercial retail center having Assessor's Parcel Numbers ("APN") 4108-019-029 and -028 and the medical office building having APNs 4107-035-017 and -018.
- **Eastern Boundary.**
Beginning at the intersection of Manchester Avenue and La Tijera Boulevard, Southwest along La Tijera Boulevard to its intersection with Sepulveda Eastway to its intersection with Sepulveda Boulevard. The following parcels East of La Tijera or Sepulveda Eastway are also included: 4123-004-002, -010, and -011; 4123-006-012, -025, and -026; 4124-002-001 and -916.
- **Southern Boundary.**
Beginning at the intersection of Sepulveda Eastway and Sepulveda Boulevard, North along Sepulveda Boulevard, then West along the South and West boundaries of parcel 4122-024-916 to Sepulveda Westway.
- **Western Boundary.**
Beginning at the point at which the boundary of parcel 4122-024-916 intersects 92nd Street / Sepulveda Westway, North along Sepulveda Westway to its intersection with Manchester Avenue. Parcel 4122-022-928 is also included.

Future Annexation Area

At the time that this Management District Plan is being prepared, the future annexation of a number of small irregular lots to the North of the existing boundary is anticipated in order to create a landscape entry to the District that will enhance visitor and customer traffic. This annexation will be processed as an amendment to this Plan as required by State Law, which will require actions on the part of the annexation parcels owners and no further action on the part of the existing District parcel owners. The costs of any services provided to the annexed area will not be borne by existing District parcel owners.

Insert Map of District Boundaries
(Including new parcel additions)

Insert Map of District Boundaries
(Showing New Parcel Additions as Cross-Hatched Overlay)

IV. PROPOSED PBID SERVICE PLAN / BUDGET – 2012 THROUGH 2021

The District will provide the following services as consistent with the provisions of the State Law: (i) ambassador services; (ii) landscape maintenance, sanitation, & beautification; (iii) marketing and promotions; (iv) new business attraction; and, (v) policy development, district management, and administration.

These services and a multi-year budget for them are described in greater detail below.

The District will operate on a fiscal year that begins on January 1 and ends on December 31 of each calendar year. In years in which annual District assessments do not fully fund all of its costs, funds from its contingency and cash flow reserves may be budgeted to close the gap. The contingency and cash flow reserve is a fund maintained to smooth the timing lag between the time that the District incurs costs and the time that it receives funds. Also, the District may carry forward uncompleted projects or unexpended assessment revenues from prior fiscal years in order to most effectively and efficiently manage its operations. Carryover funds may also be re-budgeted for subsequent fiscal years for any approved District improvements and activities.

The Owners' Association may reallocate up to ten percent (10%) of the total budget amount established for each budget category subject to the review and approval of the City of Los Angeles. Accumulated interest or delinquent assessment payments may be expended for any District purpose.

The following are the key expenditure areas of the service plan / budget:

A. AMBASSADOR SERVICES

Ambassador services programs are intended to improve the comfortable atmosphere and impression of the Westchester Town Center area. A consistent and visible uniformed presence will be provided throughout the District and may be established through any of a variety of transit modes, including but not limited to vehicle, bicycle, or foot patrols. These personnel serve as welcoming "ambassadors" that provide directions or assistance, and a liaison to the City's police services. The ambassador will be deployed at such times and in such a manner as the District deems most effective and efficient. This practice will allow for cost savings when service needs are not present. For the purpose of establishing a budget estimate, one eight-hour shift per day of a single unarmed contract ambassador has been projected.

The Westchester Town Center may also contract for the provision of services or the coordination of services for the homeless in order to improve the welcoming and comfortable atmosphere and impression of the Westchester Town Center District. In the past, the District has contracted with a greater Los Angeles area non-profit organization, People Assisting the Homeless (PATH), to achieve this goal. For the purpose of establishing a budget estimate, the District's historical experience in providing such services has been projected.

The District's Owner's Association may provide parking management or enforcement services as permitted by State Law in order to improve the reality or the perception of comfort, or the availability of parking in the Westchester Town Center District.

These ambassador services activities are intended to increase pedestrian and automobile traffic within the Westchester Town Center area, which will increase commerce and attract and retain new business.

B. LANDSCAPE MAINTENANCE, SANITATION, & BEAUTIFICATION

Maintenance services are intended to establish a uniform standard of operation, maintenance, cleanliness, and beauty throughout the entire Westchester Town Center. Maintenance services may be provided by either staff working for the District or by contractor (s) to the District, or a combination of both. These activities may include, but are not necessarily limited to, the following: sidewalk sweeping; public alley sweeping; sidewalk pressure washing; graffiti removal; street litter pick-up; maintenance of bus shelters and bus stops; planting of new or replacement trees; and, irrigation, operation, and maintenance of landscaping, trees, public art, signage, lighting, and other improvements that may be installed by the District, the City, or other entities. For the purpose of establishing budget estimates, the District's historical experience in providing such services has been projected.

The District's Owner's Association may provide public alley repaving, drainage improvements, or parking lot maintenance services as permitted by State Law.

The District Owner's Association will endeavor to obtain available public or private funding to leverage (or magnify) its assessment revenues for the installation of streetscape, landscape, beautification, and other improvements throughout the District. The District may provide funding for urban design, planning, economics, grant preparation, matching funds, or other efforts to accomplish such improvements.

These landscape maintenance, sanitation, and beautification services are intended to increase pedestrian and automobile traffic within the Westchester Town Center area, which will increase commerce and attract and retain new business.

C. MARKETING AND PROMOTIONS

Marketing, promotions, and public relations initiatives are intended to develop Westchester Town Center's identity and brand to convey a positive image to consumers and investors. Such initiatives may include, but are not limited to, the following: street banners; holiday decorations; a website; a newsletter; special printing, graphics or advertising; public relations activities; special events or activities; placement of promotional materials in various media; creation and operation of "shop local" incentive programs; etc. The District may use any effective media for these initiatives.

These marketing and promotions initiatives are intended to increase pedestrian and automobile traffic within the Westchester Town Center area, which will increase commerce and attract and retain new business.

D. NEW BUSINESS ATTRACTION

New business attraction efforts are intended to provide growth and new opportunities for Westchester Town Center property and business owners. These efforts may focus on specific new businesses or general future expansion that significantly affects the District, and may be undertaken by District employees or contractors. This effort is intended to increase the number of businesses located within the District area as well as pedestrian and automobile traffic within it, which will increase commerce and attract and retain new business.

E. POLICY DEVELOPMENT, DISTRICT MANAGEMENT, & ADMINISTRATION

Development of policies that seek to promote Westchester Town Center business, and effective and efficient District management / administration are the intended goals of this program. Policy development efforts may occur at a number of levels: within the business improvement district organization; within other community based organizations; at City Hall and its various departments; in Sacramento; and nationally. The District will seek grant funding and non-assessment financial support through this program. The District will seek “co-partnerships” with governmental, non-profit, and private sector organizations. The District will be managed / administered by a professional manager who may utilize administrative and technical support as needed. Positions that may be utilized by the District, include, but are not limited to, the following: an executive director, clerical assistance, field maintenance assistance, and an ambassador. These positions may be either District employees or contract service providers as determined by the best interests of the District.

The net effect of effective policy development and District management / administration will be increased pedestrian and automobile traffic within the District area, which will increase commerce and attract and retain new business.

F. OFFICE, INSURANCE, ACCOUNTING & OTHER

Various District office supply, material, insurance, accounting, bookkeeping, service, rental, and other necessary expenses are included in this budget category. All of these expense items support the attraction of additional pedestrian and automobile traffic to the District, which will increase commerce and attract and retain new business.

INSERT BUDGET SERVICE PLAN
(Page 1)

INSERT BUDGET SERVICE PLAN
(Page 2)

V. PROPOSED MANAGEMENT DISTRICT ASSESSMENT FORMULA

Revenues to fund District Service Plan costs will be generated by an annual assessment against each parcel in the District. The amount of the assessment against each parcel reflects the relative special benefit that parcel will derive from District services.

The annual rate of the assessment will be \$0.0605 per square foot of lot size for parcels fronting on Sepulveda Boulevard and \$0.0303 per square foot of lot size for parcels fronting on other streets; \$0.0895 per square foot of improvement for parcels fronting on Sepulveda Boulevard and \$0.0447 per square foot of improvement for parcels fronting on other streets; \$7.6400 per linear foot of street frontage on Sepulveda Boulevard, \$3.8200 per linear foot of street frontage on other streets. Assessment rates will be adjusted annually according to the change in the Consumer Price Index for Los Angeles-Orange-Riverside for All Urban Consumers, but this adjustment will not exceed three per cent (3%) per fiscal year.

These assessment rates were designed so that one-third (33.33%) of the total assessment will be based on lot size, one-third (33.33%) will be based on improvement size, and one-third (33.33%) based on street frontage. These three factors, taken together, better reflect the benefits derived by different types of land uses and parcels than would any single factor. The differential rates for lot size, improvement size, and frontage on different streets reflects the fact that Sepulveda Boulevard is the pedestrian hub of the area, so a parcel with frontage on this street derives a higher level of benefit than does a parcel with similar frontage on another street in the District.

Assessment rates will be adjusted annually to reflect changes in the Consumer Price Index for Los Angeles-Orange-Riverside for All Urban Consumers, but this adjustment will not exceed three per cent (3%) per fiscal year.

Fenced vacant lots will be assessed only on the basis of street frontage. For purposes of this paragraph, a “fenced vacant lot” is a parcel meeting all of the following criteria: (i) the parcel has no permanent improvement square footage; (ii) the parcel is fenced from public access; and, (iii) no services are provided to the general public on the parcel. This recognizes that fenced vacant lots, which typically are entirely unused or used solely for storage purposes are: (i) a unique low density use; and, (ii) benefit from street frontage maintenance services, but not more generally from activities designed to attract visitors and customers to the District.

Parcels used exclusively for long term airport parking will be assessed only on the basis of parcel square footage and street frontage. This recognizes: (i) that long term airport parking is a uniquely low density use (i.e. very few customers are on-site at any one-time despite the very large size of the parking structure improvement); and, (ii) that long-term airport parking is a not ancillary to other land uses in the District (i.e. customers of a long-term airport parking business are typically shuttled directly between their cars and airport locations outside of the District).

Multifamily Residential parcels will be assigned benefits on the same basis as other parcels with respect to street frontage and parcel square footage, but at one-half the normal amount for improvement square footage. This recognizes that while apartment buildings are a commercial venture designed to attract tenants, apartment improvements are less intensively used than other improvements and are not used by residential tenants to serve customers.

A list of the proposed assessments for each parcel in the District is included in Appendix 1 of this document.

For a more complete description of the methodology used to determine these rates, please refer to the Engineer's Report for the District, which is incorporated herein by reference, and included in Appendix 2 of this document.

During the ten-year effective term of the District, it is likely that some parcels within the District will be developed with additional commercial improvements or will see the demolition of existing improvements. The assessment against such parcels shall be recalculated beginning with the assessment for the first year following the construction or demolition of improvements. The new assessment against such a parcel shall be calculated pursuant to the formula set forth in the Engineer's Report (see Step 5 on Page ER-13). Pursuant to Government Code Section 53750(h)(3), such recalculation does not constitute an "increase" of assessment that requires the conduct of a new Proposition 218 ballot proceeding. Such a proceeding will be required if the assessment formula itself is changed.

VI. CONTINUATION OF CITY SERVICES / CITYWIDE BASE LEVELS of SERVICE

Throughout the process of establishing the Westchester Town Center PBID, business and property owners have voiced concerns that the City of Los Angeles maintain existing services at "baseline" service levels. The City practice has been to maintain existing municipal services at their present levels, or at such modified levels as may be established in the future, irrespective of District formation. In any case, existing City services will not be replaced or duplicated by new business improvement district services.

VII. PUBLICLY OWNED PARCELS

The State Law requires that all publicly owned parcels within the District be assessed as any other similarly situated private parcel unless the affected public agency demonstrates by clear and convincing evidence that those publicly owned parcels, in fact, receive no special benefit. The publicly owned parcels and their respective annualized assessment amounts for 2012 are shown below:

CITY of LOS ANGELES PARCELS (LOS ANGELES WORLD AIRWAYS)

	APN #	Address	Owner	Total PBID Assessment
1	4122-022-928	N/A per Assessor Data	LA City	\$3,331.03
2	4122-024-916	N/A per Assessor Data	LA City	\$4,728.86
3	4124-002-916	N/A per Assessor Data	LA City	\$1,887.07
		City of Los Angeles (3.31% of total assessments)	Sub Total	\$9,946.96

VIII. PROPOSED IMPLEMENTATION TIMETABLE

The following timetable is proposed for the Westchester Town Center business improvement district renewal:

<u>DATE</u>	<u>ACTIVITY</u>
November 2010	Draft Management District Plan / Engineer's Report.
November 2010	Approval of all assessment data by City Clerk's Office.
December 2010	Final Management District Plan / Engineer's Report.
January 2011	Petitions circulated to all property owners.
February 2011	Petitions submitted to City Clerk's Office & City Council.
April 2011	City Council adoption of Ordinance of Intention to Form BID.
May 2011	Proposition 218 ballot election.
June 2011	Final City Council hearing and ballot counting.
June 2011	First reading of Ordinance Establishing PBID.
July 2011	Approval of new City Contract for BID administration. City Clerk initiates PBID assessment collection process for initial year.
December 2011	Original BID ceases operations.
January 2012	Renewed BID begins program of operations.

As provided by State Law, the new Westchester Town Center business improvement district will have a set term of ten (10) years. The District's term will be January 1, 2012 through December 31, 2021. At the end of that period, the District may be renewed as permitted by State Law. If the District is not renewed or is otherwise terminated for any reason, all unexpended assessment funds will be returned to property owners as required by State Law.

IX. DISTRICT GOVERNANCE

State Law establishes a framework for District governance with City Council oversight and local, private sector management as described below:

A. Owner's Association

The City will enter into a contract with a private, non-profit entity designated as an "owner's association" to administer and implement services, improvements, and programs described in the Management District Plan. The owner's association may be an existing or newly formed nonprofit entity. The owner's association will be a private entity, governed by a Board of Directors and created pursuant to its adopted By-Laws. Notwithstanding this, the owner's association will observe the requirements of the Ralph M. Brown Act that establishes standards for public meetings and the California Public Records Act that establishes standards for maintaining public records concerning District operations. Among its other responsibilities, the Owner's Association will prepare an annual report with respect to District operations as required by Section 36650 of the State Law.

B. Professional Staff

The Board of Directors of the owner's association will employ an Executive Director whose duty it is to implement all of the services, improvements, and programs; and, to supervise all subordinate District staff on a day-to-day basis. The Executive Director is responsible to the Board of Directors through their policy direction and budgets.

C. Staff Neutrality

The professional staff is charged by the Board of Directors with a mission of performing administrative functions in the most efficient and effective manner possible. At times, District assessment payers may have conflicting needs or desires that may be dependent upon a staff choice or decision. In such circumstances, if the Board of Directors has not clearly provided direction, staff should refer such choices to the Board of Directors for decision.